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Biotechnology

The EU's Biotech Regulatory System – Who's Being Protected?

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Report Highlights:
European policymakers unfailingly invoke consumer concerns and food scares (BSE and dioxin) to justify the EU's onerous regulatory system for biotech products. NGOs repeatedly assert that consumers distrust the safety of biotech food products and will not buy them. The EU views its all encompassing labeling and traceability regulations as critical to assuaging consumer concerns.

Or so it seemed. But then in a change of heart, the Commission relented and exempted from labeling a number of products produced from genetically modified microorganisms, including vitamins. With sales estimated at nearly US$ 6 billion, Europe's vitamin and mineral supplement manufacturers were thus spared the fate of slapping a GM label on a product so widely consumed in Europe.

Includes PSD Changes: No
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European policymakers unfailingly invoke consumer concerns and food scares (BSE and dioxin) to justify the EU's byzantine regulatory system for biotech products. However, the authors of a recent World Bank Report suggest that the commercial interests of European farmers also explain the EU's resistance to agricultural biotechnology:

"Our results suggest that heightened domestic consumer or environmentalist opposition to genetically modified (GM) crops is not the only reason why there has been a moratorium on the production and sale of GM foods in regions like the EU. Rather, differences in comparative advantage in the adoption of GM crops may be sufficient to explain the trans-Atlantic difference in GM policies.

On the one hand, it is rational for producers in the EU (whose relatively small farms would enjoy less gains from the new biotechnology than broad-acre American farms) to reject GM technologies if that enables them, with the help of consumer and environmental lobbyists, to argue for restraints on GM-adopting countries. … When faced with a more efficient competitor, the optimal response of farmers in countries with a comparative disadvantage in GM adoption is to lobby for (or at least not resist) more stringent GM standards." [1]

Similarly, a University of California report cites the commercial interests of the EU's large chemical industry to explain the EU's anti-biotech stance: "The European rejection of agricultural biotechnologies cannot be explained as simply a case of consumer preferences; it also reflects the self-interest of the European agricultural inputs industry and farmers. European chemical firms have the advantage in agricultural chemicals while U.S. firms have the advantage in biotech…" [2]

While the EU may lag behind the United States in agricultural biotechnology, European pharmaceutical companies are world leaders in the use of biotechnology to produce vitamins and supplements. As "a more efficient competitor" in this sector, the European pharmaceutical industry has lobbied the EU Commission to exempt its products from the labeling requirements that apply to the products of agricultural biotechnology.

In particular, the EU's position on products (vitamins such as riboflavin) derived from genetically modified microorganisms (GMMs) has been an area of great concern to the European industry. The Commission's original view was that these products would have to be labeled like any other product derived from a GMO. That is, they fell within the scope of the EU's new labeling requirements as spelled out in Regulation (EC) No. 1829/2003.

Thus an EU committee on food safety on April 30, 2004 took the unequivocal position that "…substances such as food/feed additives, vitamins or processing aides produced by fermentation of microorganisms fall in the scope of the legislation (authorization and labeling) when produced from a genetically modified microorganism (GMM), irrespective of the whether the substrate used for the fermentation is genetically modified or not." [3]

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[1] Trade, Standards, and the Political Economy of Genetically Modified Food, Anderson, Damania, and Jackson, http://econ.worldbank.org/files/38347_wps3395.pdf

[2] Explaining Europe's Resistance to Agricultural Biotechnology, Graff and Zilberman, http://www.agecon.ucdavis.edu/outreach/areupdatepdfs/UpdateV7N5/V7N5_1.pd

[3] http://europa.eu.int/comm/food/committees/regulatory/scfcah/general_food/summary10_en.pdf

But in an abrupt about face on September 24, 2004, this same committee reversed its position and in a bravura display of sophistry declared "food and feed (including food and feed ingredients such as additives, flavorings and vitamins) produced by fermentation using a GMM which is kept under contained conditions and is not present in the final product are not included in the scope of Regulation (EC) No. 1829/2003. These food and feed have to be considered as having been produced with the GMM, rather than from the GMM." [4]

Thus white biotechnology--the contained use of GMMs--emerged victorious: less stringent standards for Europe's most advanced GM sector. While the products of agricultural or green biotechnology would still have to be labeled in the interests of informing consumers.

Oddly enough, the EU's new position on GMMs failed to provoke an outcry from the NGO community. Not the typical polemics about caving in to the interests of huge multinationals and abandoning the interests of consumers. Calling attention to this decision might have revealed just how pervasive biotech products already are in the food chain. And without any ill-effects.

Biotech foes have also paid scant attention to the EU's flexible and relaxed regulatory attitude toward the use of the GM enzyme chymosin in the making of cheese. Chymosin is used as an alternative to rennet which comes from calve stomachs. The EU's Directive 2000/13/EC on general labeling specifically exempts from labeling chymosin and other GM lactic products, enzymes or micro cultures.

Likewise in the case of GMMs such as yeast used in alcoholic beverages, the Commission doesn't require labeling if the GMM is not present in the final food. Like vitamins, the EU justifies its stance on the basis that the "…resulting food is considered to have been produced with a GMM, but not from a GMM". While one would think that the same logic would apply to a highly refined soybean oil where no modified DNA is detectable, the EU's watch guards of public health have deemed otherwise.

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[4] http://europa.eu.int/comm/food/committees/regulatory/scfcah/modif_genet/summary03_en.pdf

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